



U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

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**MEDICARE CELEBRATES 35 YEARS OF
KEEPING AMERICANS HEALTHY**
Millions of Older and Disabled Americans Have Benefited

Health and Human Services Secretary Donna E. Shalala today hosted a D.C. celebration commemorating the 35th anniversary of the Medicare program in Washington, D.C. and 14 other cities across the nation. Secretary Shalala paid tribute to the program's long history and announced a national outreach effort to remind Medicare beneficiaries to take advantage of the preventive benefits Medicare pays to keep beneficiaries healthy, including the release of a new a public service announcement.

"This is a great national celebration of an important federal program which has been helping millions of older Americans stay healthy," said Secretary Shalala. "Since its creation in 1965, Medicare has served more than 93 million Americans, and has added home health care, hospice care, outpatient care and many preventive benefits. One of the best ways to celebrate the success of Medicare is by making sure that the millions of seniors and disabled Americans who have come to rely on it take advantage of the preventive benefits that the program now covers."

Preventive benefits Medicare covers include:

- Annual screening mammograms,
- Pap smears,
- Colorectal cancer screenings,
- Prostate cancer screenings,
- Bone mass measurement,
- Glucose monitoring and diabetes education programs, and
- Flu, pneumonia and hepatitis B vaccinations.

"Millions of people who are covered by Medicare have been taking advantage of these important benefits that help keep them healthy," said Nancy-Ann DeParle, administrator of the Health Care Financing Administration (HCFA), the federal agency that runs Medicare. "But more people need to know that Medicare pays for these benefits, which is why each of our regional offices is hosting health and screening fairs across the country."

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As part of the celebration, HCFA unveiled a new public service announcement highlighting the preventive benefits Medicare covers and the new *Checklist to Good Health*, which allows beneficiaries to record which preventive benefits they have received. HCFA also announced a demonstration project to take place in Alabama, Florida, Missouri and Ohio that will test specific strategies to help older people quit smoking.

Secretary Shalala also announced the launch of the second year of *Screen for Life, A National Colorectal Cancer Action Campaign*, an outreach program conducted by the Centers for Disease Control and Prevention and HCFA. The program informs American men and women about the benefits of screening for colorectal cancer beginning at age 50. The campaign also stresses that Medicare, and many insurance plans, help pay for colorectal cancer screening.

Celebrations and health fairs are being held today in Providence, R.I.; New York City; Philadelphia; Baltimore; Atlanta; Chicago; St. Paul, Minnesota; Kenosha, Wisconsin; Cincinnati; Lansing, Michigan; Lee's Summit, Missouri; Dallas; Denver; Oakland, California; and Seattle. The sites were connected to the national celebration by satellite.

In the 35 years since President Lyndon B. Johnson signed Medicare into law on July 30, 1965, more than 93 million elderly and disabled Americans have been able to get high quality, affordable health care services. This year alone, more than 39 million Americans and their families rely on the nation's largest health care program.

On July 1, 1966, Medicare began paying for health care services for Americans over the age of 65. About 70,000 of those first beneficiaries are still receiving Medicare benefits as they reach their 100th birthday in 2000. Today, some families even have three generations enrolled in Medicare. In 1965, there were only 3,300 centenarians across the United States.

In just 35 short years, Medicare has changed the face of aging in America and has improved the lives of millions of elderly Americans and disabled Americans under the age of 65 by:

- Making a dramatic difference in the number of seniors who are insured against health care costs,
- Extending the life expectancy of older Americans,
- Improving access to high quality health care,
- Improving the quality of life for older and disabled people on Medicare,
- Improving access to understandable information about health insurance benefits and choices.
- Improving financial security for Americans on Medicare,
- Helping minority seniors get high quality health care services, and
- Improving access to health care for the disabled.

"A health insurance program designed to meet the needs of seniors in 1965 must be updated regularly to keep pace and set the pace for changes in the health care market," said Shalala. "Since 1965, Congress and the President have made a number of changes to Medicare and more changes should be expected to reflect the changing health care needs of our beneficiaries.

“Medicare is one of the most popular federal programs, and universally gets high marks from beneficiaries and members of their families,” said Shalala. “But it must be modernized with an affordable voluntary prescription drug benefit to meet the needs of our seniors and those with disabilities. Without changes in the law, Medicare’s benefit package will be out of sync with what is covered by today’s private insurance market.”

Some of the changes experienced through the program’s 35 years include:

- **Expanding eligibility.** In 1972, Medicare eligibility was expanded to include Americans with disabilities and those with end-stage renal disease.
- **Expanding benefits.** Medicare’s original benefit package had a strong emphasis on inpatient hospital care, the most prevalent form of health care at that time. Medicare now covers home health care, hospice care and preventive benefits.
- **Enacting payment reforms.** Medicare’s original payment mechanisms were based primarily on costs. To spend taxpayer funds wisely, a series of payment reforms for hospitals, physicians, home health agencies, nursing homes and HMOs have been initiated. Many of these innovations have since been copied by the private insurance market.
- **Enacting patient protections.** Medicare has been a leader in protecting the health, safety and financial security of beneficiaries by establishing strong federal standards for the quality of hospital, nursing home and home health care. And Medicare has some of the strongest patient protections for beneficiaries enrolled in HMOs and other managed care plans.
- **Encouraging cost savings.** Medicare has paved the way for significant cost savings in the program as well as the nation’s health care system. In recent years, Medicare has developed innovative payment systems for home health services, skilled nursing care and other outpatient services.
- **Promoting administrative efficiency.** Medicare is the single largest health insurer in the United States, yet it operates with the lowest administrative costs of any insurer.
- **Fighting waste, fraud and abuse.** Since 1993, the Clinton Administration has been fighting fraud, waste and abuse in the Medicare and Medicaid programs, resulting in a record series of investigations, indictments and convictions, as well as new management tools to help identify improper payments to health care providers.
- **Training for the future.** Medicare plays an important role by helping finance medical education at America’s academic medical centers at a cost of nearly \$8 billion a year.
- **Providing information resources.** Through Medicare’s comprehensive national education program, beneficiaries can now find updated information about Medicare in the *Medicare&You* handbook which is mailed to all beneficiary households every Fall; at 1-800-MEDICARE (1-800-633-4227) and at www.medicare.gov.

“While Medicare has provided peace of mind to those who are over 65 or living with disabilities, millions of Americans with significant health care needs are unable to buy affordable supplemental insurance,” said DeParle. “Despite the vital assistance Medicare provides, today’s seniors continue to spend about 18 percent of their income on health care costs because of gaps in benefits and high out-of-pocket costs.”

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